

Message Text

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INFO AMCONSUL BORDEAUX

AMCONSUL LYON

AMCONSUL MARSEILLE

AMCONSUL MARTINIQUE

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AMCONSUL STRASBOURG

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E.O. 11652: GDS

TAGS: FR, PINT, PLAB, PGOV

SUBJECT: TRADE UNION REACTION TO BARRE GOVERNMENT

1. SUMMARY: FORCE OUVRIERE ACTING THROUGH ITS SECRE-
TARY GENERAL ANDRE BERGERON HAS DOMINATED TRADE UNION
REACTION TO NEW SITUATION CREATED BY THE BARRE GOVERN-
MENT AND ITS EMPHASIS TO FIGHT AGAINST INFLATION AND
WHAT THIS MAY IMPLY IN TERMS OF AUSTERITY MEASURES.
FO REMAINS COMMITTED TO CONTRACTUAL POLICY IN LABOR-
MANAGEMENT RELATIONS IN PUBLIC SERVICE AND NATIONALIZED
SECTOR AND IS CONVINCED THAT SOCIAL PEACE IN THESE
SECTORS IN THE LAST SIX YEARS WAS WELL WORTH PRICE
PAID THROUGH NEGOTIATED WAGE INCREASES. BASIC FO
VIEW AS LUCIDLY ARTICULATED BY BERGERON IS THAT
NATIONAL CONSENSUS WHICH ALONE CAN SUSTAIN AN INCOMES
POLICY IS IMPOSSIBLE IN FRANCE, THEREFORE ANY ATTEMPT
TO IMPOSE SUCH A POLICY NOT ONLY IS DOOMED TO FAILURE
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BUT CREATES THE CONDITIONS FOR A MAJOR THREAT TO

DEMOCRACY EITHER FROM THE LEFT OR FROM THE RIGHT.
FO CAN BE COUNTED UPON TO HAMMER THIS POINT WITH
UNSUSPECTED TENACITY AND CONVICTION. END SUMMARY.

2. TRADE UNION REACTION TO THE BARRE GOVERNMENT, ESPECIALLY BY LEFT ORIENTED UNIONS (CGT-CFDT), HAS BEEN ON A RATHER LOW KEY FOR TWO PRINCIPAL REASONS: FIRST, THE APOLITICAL PERSONALITY OF THE PRIME MINISTER DID NOT LEND ITSELF TO STEREOTYPE CHARACTERIZATIONS AND COMMENTS DEPENDING UPON POLITICAL ORIENTATION OF THE LABOR LEADERS; AND SECOND, THE DECLARATION THAT THE NEW GOVERNMENT'S PRIMARY OBJECTIVE WOULD BE THE FIGHT AGAINST INFLATION ALERTED THE LABOR LEADERS TO THE FACT THAT THEY WILL SOON BE CALLED UPON TO SAY A GREAT DEAL SINCE WHOEVER SPEAKS ABOUT INFLATION MUST OF NECESSITY FOCUS ON WAGES. HENCE THE NEED TO SAVE AMMUNITION.

3. NOTWITHSTANDING THE FOREGOING COMMUNIST-CONTROLLED CGT AND MILITANT SOCIALIST CFDT FOUND IT EXPEDIENT TO INTERPRET THE CHANGE OF GOVERNMENT AS AN ADMISSION OF FAILURE OF GISCARD'S ECONOMIC POLICIES AND TO ARGUE THAT A NEW GOVERNMENT WHICH IS BOUND TO TAKE ITS GUIDANCE FROM THE ELYSEE IS DOOMED TO EQUAL FAILURE. THE CGT, HOWEVER, WENT A BIT FURTHER TO REFLECT THE PC STANCE WHICH ADVOCATES THAT THE ONLY ALTERNATIVE TO GISCARD'S PROBLEMS IS THE COMMON PROGRAM OF THE LEFT.

4. THE MOST THOUGHTFUL AND MEANINGFUL COMMENTARY ON THE NEW GOVERNMENT, HOWEVER, HAS COME FROM FORCE OUVRIERE, WHICH HAS CLEARLY DOMINATED THE MEDIA THROUGH RADIO-TV INTERVIEWS BY BERGERON AND AN INTERVIEW IN LE MONDE OF 3 SEPTEMBER. IN A COMMUNIQUE ISSUED BY FO OVER BERGERON'S SIGNATURE IMMEDIATELY UPON THE RESIGNATION OF CHIRAC AND THE APPOINTMENT OF BARRE, AN APPREHENSION WAS EXPRESSED LEST THIS CHANGE MEANS A REINFORCEMENT OF THE CENTRAL AUTHORITY OF THE PRESIDENCY WHICH WOULD LEAD TO A SITUATION "WHERE EVERYTHING WILL DEPEND ON THE ELYSEE."

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5. THE FO COMMUNIQUE ENDS WITH THE FOLLOWING SIGNIFICANT SENTENCE: "WE ARE CONVINCED THAT THE MORE THE CENTERS OF DECISION ARE GROUPED AROUND THE SAME OFFICE THE GREATER THE FRAGILITY OF THE POLITICAL POWER WHICH IS CONTRARY TO WHAT SOME PEOPLE IMAGINE." IT IS NOT LIKELY THAT GISCARD WILL TAKE KINDLY THE SHARP CRITICISM IMPLIED IN BERGERON'S STATEMENT. BERGERON

HAD LEARNED TO DO BUSINESS WITH CHIRAC AND HAD COME TO APPRECIATE CHIRAC'S DECISIVENESS, HIS ABILITY TO SAY YES OR NO AND TO HONOR HIS WORD. ON THE OTHER HAND, BERGERON AND HIS COLLEAGUES HAVE NEVER FELT AT EASE WITH GISCARD. THEY HAVE FOUND HIS DISCURSIVE COMMENTARY ON QUESTIONS BROUGHT TO HIS ATTENTION DURING PERIODIC CALLS ON THE ELYSEE INCOMPATIBLE WITH THEIR PRAGMATIC APPROACH TO PROBLEMS AND SAW IN IT EVIDENCE

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OF DILETTANTISM AND INDECISION. BERGERON'S VIEWS ON THIS SUBJECT WERE REITERATED TO THE LABOR ATTACHE EARLIER IN THE SUMMER AND WERE OCCASIONED BY THE RUMORS ALREADY IN CIRCULATION THAT CHIRAC WAS ON HIS WAY OUT.

6. FO'S POINT THAT EXCESSIVE CENTRALIZATION OF POWER IN ONE OFFICE BREEDS FRAGILITY RATHER THAN STRENGTH IS CONSISTANT WITH FO'S CONCEPT OF DEMOCRACY. THE CURRENT ISSUE OF FO'S WEEKLY MAGAZINE CONTAINS AN EDITORIAL OVER BERGERON'S SIGNATURE WHICH REPEATS THE FOREGOING AND ADDS THE FOLLOWING:

(A) IT DOES NOT CONTEST BARRE'S PERSONAL QUALITIES NOR THE NECESSITY TO SLOW DOWN INFLATION. THE QUESTION IS WHAT MEANS ARE PROPOSED TO BE USED FOR CONFIDENTIAL

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THIS PURPOSE. HENCE THE DECISION TO ASK FOR APPOINTMENT WITH THE PRIME MINISTER WHICH WAS SCHEDULED FOR 6 SEPTEMBER.

(B) THE EDITORIAL GOES ON TO EXPRESS CONCERN ABOUT THE FUTURE OF THE CONTRACTUAL POLICY WHICH GOVERNED THE PUBLIC SERVICE AND NATIONALIZED SECTOR AND WHICH RESULTED IN THE SIGNATURE OF CONTRACTS IN THE LAST SIX YEARS. IT MAKES FORCEFULLY THE POINT THAT NO MATTER WHAT ONE MIGHT SAY ABOUT THESE CONTRACTS, THEY HAVE SUCCEEDED IN KEEPING "THINGS UNDER CONTROL" AND AT THE SAME TIME GUARANTEED THE PURCHASING POWER OF THE EMPLOYEES INVOLVED. THEN COMES THE WARNING: "MR. BARRE WILL HAVE VERY LITTLE CHANCE OF SUCCEEDING NO MATTER HOW EFFECTIVE MAY BE THE MEANS HE INTENDS TO USE IF THE DEGRADATION OF THE SOCIAL CLIMATE WERE TO UPSET EVERYTHING. FRANCE IS NOT EASY TO GOVERN. THE AID TO THE FARMERS GIVES RISE TO PASSIONATE REACTIONS. EVERYONE AGREES THAT NATIONAL SOLIDARITY SHOULD BE SHOWN TO THE VICTIMS OF THE DROUGHT BUT NO ONE WANTS TO PAY FOR IT. IT IS THE SAME WAY IN EVERY SECTOR."

(C) THE EDITORIAL CONCLUDES THAT "CONFLICTING GROUP INTERESTS ARE A THREAT TO DEMOCRACY" AND FORCE OUVRIERE INTENDS TO KEEP THIS IN MIND IN COMPLETE DISREGARD FOR THE DEMAGOGIC BEHAVIOR WHICH OTHERS (READ CGT) WILL SOON BE DISPLAYING.

7. BERGERON MADE THE SAME POINTS IN A FRONT-PAGE INTERVIEW IN LE MONDE OF 3 SEPTEMBER BUT ADDED THAT BARRE HAS "ONLY SIX MONTHS TO PROVE THE EFFECTIVENESS OF HIS ANTI-INFLATION PROGRAM." ACCORDING TO BERGERON NEGOTIATIONS FOR NEW CONTRACTS IN PUBLIC SERVICE AND NATIONALIZED SECTORS ARE NOT DUE UNTIL EARLY IN 1977. IF THE ANTI-INFLATION CAMPAIGN BEGINS TO SHOW RESULTS BY THAT TIME FO WILL TAKE THIS INTO CONSIDERATION IN FORMULATING ITS

DEMANDS. FURTHERMORE BERGERON INDICATED THAT FO IS NOT OPPOSED TO "TRADE-OFFS" OF FRINGE BENEFITS AGAINST LOWER WAGE INCREASES.
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8. ASKED WHETHER PRICE CONTROLS ARE JUST AS IMPOSSIBLE TO ADMINISTER AS WAGE RESTRAINTS, BERGERON REPLIED IN THE AFFIRMATIVE ADDING THAT "THE CHARACTERISTIC OF DEMOCRACIES OF THE TYPE THAT EXIST IN FRANCE IS THAT THEY ARE BECOMING LESS AND LESS GOVERNABLE" AND THAT MAKES HIM AT TIME PESSIMISTIC ABOUT THE FUTURE. "INTEREST GROUPS," HE CONTINUED, "KEEP ASKING EVERYTHING FROM THE STATE. THE QUESTION IS WHETHER SOME DAY THE STATE WILL CRUSH US." RECOGNIZING THAT INDUSTRIAL PRICES AT THE PRODUCTION END ARE SUSCEPTIBLE TO SOME CONTROL, HE REMARKED THAT COMMERCIAL PRICES WHICH INVOLVE DISTRIBUTION COSTS CAN ESCAPE SUCH CONTROLS "BECAUSE IN A DEMOCRACY ONE CANNOT PUT A POLICEMAN BEHIND EVERY MERCHANT."

9. COMMENT: THE FO EDITORIAL AND LE MONDE INTERVIEW REFLECT CLEARLY FO'S LINE OF DEFENSE AND ITS PREOCCUPATION WITH THE POLITICAL DIMENSION OF ECONOMIC POLICIES DESIGNED TO FIGHT INFLATION. THE FO LEADERS REALIZED THAT THE ANTI-INFLATION DRIVE OF THE BARRE GOVERNMENT IS BOUND TO RAISE QUESTIONS ABOUT THE WAGE INCREASES WHICH PUBLIC SERVICE AND EMPLOYEES IN THE NATIONALIZED COMPANIES HAVE EXACTED SINCE 1970 THROUGH COLLECTIVE BARGAINING AND SIGNATURE OF CONTRACTS. FO BEING THE LEADING MODERATE UNION TO SIGN SUCH CONTRACTS BY IGNORING THE IDEOLOGICAL

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CRITICISMS OF CGT-CFDT WHICH REFUSED TO SIGN HAS A GREAT STAKE IN THE PRESERVATION OF THE CONTRACTUAL POLICY AND THE RENEWAL OF EXISTING CONTRACTS. THEREFORE, FO AND THE OTHER MODERATE UNIONS WHO SIGNED CONTRACTS (CGTC, FEN AND CGC) CAN BE COUNTED UPON TO ARGUE EFFECTIVELY THAT THE SOCIAL PEACE WHICH THESE CONTRACTS GUARANTEED WAS WELL WORTH THE PRICE PAID THROUGH WAGE INCREASES BOTH IN ECONOMIC AND POLITICAL TERMS AND TO INSIST ON CONTINUATION OF THE CONTRACTUAL POLICY IN THE PUBLIC SECTOR.

10. AT THE OTHER END OF THE SPECTRUM CGT WILL BE QUITE CONTENT TO SEE THE CONTRACTUAL APPROACH COME TO AN END, PARTLY BECAUSE IN RETROSPECT IT WILL JUSTIFY CGT'S REFUSAL TO SIGN AND PARTLY BECAUSE IT WILL OPEN THE PROSPECT OF A LABOR UNITY SINCE ALL
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UNIONS INCLUDING FO WILL FIND THEMSELVES COMPELLED TO RESIST ANY GOF EFFORTS TO IMPOSE WAGE RESTRAINTS. BERGERON IS KEENLY AWARE OF THE IMPLICATIONS OF SUCH DEVELOPMENT AND UNDOUBTEDLY WILL HAVE PLENTY TO SAY TO BARRE NEXT MONDAY WHEN FO WILL BE THE FIRST UNION TO BE RECEIVED BY BARRE IN THE SERIES OF CONSULTATIONS HE HAS SCHEDULED FOR NEXT WEEK WITH LABOR UNIONS AND OTHER ORGANIZATIONS.
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